

13-50-202 Right to cancel.

- (1) A person that enters into a written contract with a residential contractor for the performance of repair work on a residential building may cancel the contract if:
 - (a) at the time of the execution of the contract, the residential contractor knew or should have known that the person intended that all or part of the contract would be paid with proceeds of a property and casualty insurance policy;
 - (b) the property and casualty insurer denies any part of the person's claim relating to the repair work governed by the contract; and
 - (c) within five business days after the day on which the person receives written notice from the person's property and casualty insurer that all or part of the person's claim relating to the repair work governed by the contract is denied, the person deposits in the United States mail, or otherwise provides, written notice of cancellation to the physical address provided in the contract.
- (2) Except as provided in Subsection (3), within 10 business days after the day on which a person cancels a contract under Subsection (1), the residential contractor shall return to the person all payments, partial payments, deposits, and evidence of indebtedness made by the person in relation to the contract.
- (3) A residential contractor may retain or collect the reasonable value of any repair work described in the contract that was actually performed, if the owner of the residential building expressly instructed the residential contractor to perform the repair work without waiting for the property and casualty insurer to provide notice of whether it accepts or denies coverage of the contract.

Enacted by Chapter 160, 2013 General Session